EXHIBIT 3

DATE 2/16/04

HB 348

Here's some "before and after" analysis regarding HB 348. It might be easier to sort out in person, but here's a starting point anyway. I'm sorry for the delay in getting this to you.

Dennis Unsworth
Commissioner of Political Practices

We still think that the lobbying financial reporting requirements for those who pay lobbyists don't change under House Bill 348 (as long as that change/amendment is made on page 5, lines 11-13 to revert to existing law.)

The effect of the bill is to change the registration requirements so that everyone who lobbies for pay or reimbursement must register.

**Question:** Association Board member is testifying but not being paid. Is the Association required to report? <u>Current law:</u> no registration or reporting. <u>Proposal with amendment:</u> Registration, but no registration fee required; no reporting required (since there is no payment to report)

Question: In what circumstance would a board member of an association be required to register and report? Current law: Registration and reporting required only if exceeding the \$2400 payment threshold. Proposal with amendment: Registration would be required, if lobbying in person or even over the phone. No registration fee if payments are less than \$2400; Report ing will be required for any payments or reimbursement to the board member if the parent Association is spending more than \$2400 for lobbying in the calendar year.

**Question:** Does sending an email or calling by a member necessitate registration? If the member is advocating the passage, modification or defeat of a measure before the legislature and is speaking on behalf of the organization, registration would be required. Current law doesn't appear to differentiate between lobbying in person or lobbying by phone or email.

If the email or calling meets the definition of lobbying, then under <u>Current law</u>: \$2400 threshold triggers registration and financial reporting. <u>Proposal with amendment</u>: Registration, if lobbying in person or even over the phone, but no registration fee if payments are less \$2400; reporting required for any payments or reimbursement to the board member from the association.

This assumes that the member is testifying on behalf of the association. Under the definitions in 5-7-102(12)(b)(i), "Lobbyist does not include an individual acting solely on the individual's own behalf." This issue of lobbying via email or phone call may trigger some opposition. With the current threshold in place, it's unlikely that someone who doesn't go to the capitol much would be paid enough to be required to register. With the change in HB 348, it's likely that some people who are essentially lobbying from home or office might meet the requirements for registration since there is no de minimis and the law doesn't appear to differentiate between lobbying in person and lobbying from a distance.